

Chair Boyle called the regularly scheduled meeting to order at 9:05 a.m. with Commissioners Boyle, Lowell Johnson, Landis and Vap present and Commissioner Rod Johnson excused at the beginning of the meeting.

GENERAL ADMINISTRATION

Notice was duly published July 15, 2003, on Page 10 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held July 22, 2003, at 9:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

Wednesday, July 23, 2003:

B-1622 Commission Library, Lincoln, and City Hall, 1615 First
9:00 Avenue, South Sioux City. Airlink Services, Inc., Sioux
City, Iowa, seeking authority as a common carrier of
passengers by taxi-cab and vans between points in Dakota,
Thurston, and Dixon Counties over irregular routes. To
include the transportation of Health and Human Services
clients. RESTRICTION: The transportation of railroad train
crews and their baggage is not authorized. Commissioner Rod
Johnson chairing.

Rule and Commission Hearing Room, Lincoln. Workshop
Regulation The Commission, on its own motion, seeking to amend Title
#158 291, Chapter 8, Grain Warehouse and Grain Dealer Rules and
9:00 Regulations, to adopt rules in accordance with Nebraska
LB 735 [2003].

Monday, August 4, 2003:

GD-2778 Commission Hearing Room, Lincoln. John A. Fecht, Grain
GDC-388 Warehouse Director, Complainant, vs. Nebraska Popcorn,
Clearwater, Defendant. NO HEARING OFFICER SET

COMMUNICATIONS DEPARTMENT

FC-1296 In the Matter of Cox Nebraska Telcom, L.L.C., Omaha, and
FC-1297 Illuminet, Olympia, Washington, vs. Qwest Communications,
Inc., Omaha, alleging violations of state law and policy,
as well as tariff obligations and Alltel Nebraska, Inc. and ALLTEL
Communications of Nebraska, Inc., Complainant, vs. Qwest Corporation,
Respondent, requesting a review of Qwest's Common Channel Switched
Access Capability Signaling rate elements as set forth in Qwest's
Access Service Catalog: Upon agreement of all Commissioners present,
an order was entered affirming the agreement to allow SS7 tariff to
become effective.

COMMUNICATIONS DEPARTMENT (Cont.)

C-2965 In the Matter of Cognigen Networks, Inc., Seattle, Washington, seeking authority for a certificate of authority to resell telecommunications services in Nebraska: Upon agreement of all Commissioners present, the application was granted.

C-2966 In the Matter of Colorado Communications Network, Inc., d/b/a Hospitality Communications, Lakewood, Colorado, seeking authority to operate as a resale carrier of intrastate interLATA and intraLATA telecommunications services and operator services within the state of Nebraska: Upon agreement of all Commissioners present, the application was granted.

C-2967 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of Internet Service Provider Bound Traffic amendment to the Type 2 Wireless Interconnection Agreement with Qwest Wireless, Scottsdale, Arizona, previously approved in Application C-2222: Upon agreement of all Commissioners present, the amendment was approved.

C-2968 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of an amendment to a wireline interconnection agreement with Pinpoint Communications, Inc., Cambridge, previously approved in Application C-2605: Upon agreement of all Commissioners present, the amendment was approved.

C-2872 In the Matter of Great Plains Communications, Inc., Blair, seeking arbitration to resolve issues relating to an interconnection agreement with WWC License L.L.C., Issaquah, Washington: Upon agreement of all Commissioners, an oral argument was set for August 19, 2003, at 1:30 p.m. CDT in the Commission Hearing Room, Lincoln. Commissioner Landis will preside as hearing officer.

Gene Hand provided an update on the Collaborative Aggregation Partnership (CAP).

Gene Hand provided the Commission with a copy of an article describing a federal appeals court decision remanding to the Federal Communications Commission for further proceedings a reciprocal compensation dispute, holding that the agency was wrong when it decided that calls to Internet Service Providers (ISP) are clearly interstate by nature.

FC-1306 In the Matter of Mid America Pay Phones, Omaha, vs. ALLTEL Communications, alleging unsatisfactory business practices: Gene Hand provided the Commission with a copy of Alltel's motion for reconsideration, clarification and stay, filed on July 21, 2003.

COMMUNICATIONS DEPARTMENT (Cont.)

Two Qwest press releases were provided to the Commission. The first described an agreement with EchoStar to offer satellite services as part of Qwest's communications bundle and the second announced the deployment of digital subscriber line service in the Bennington exchange.

C-2925 In the Matter of a Petition for Declaratory Ruling of Lincoln Electric System seeking a determination that Title 291, Chapter 5, Telecommunications Rules and Regulations, Sections 001, 002 and 003, as amended and enacted March 31, 2003, governing telecommunications contract carriers, shall not be applied retroactively to the application of Lincoln Electric System for Contract Carrier Permit Authority (Application C-2910) filed March 27, 2003: Gene Hand provided the Commission with a copy of the memorandum filed July 18, 2003, by the Nebraska Telephone Association and Nebraska Cable Communications Association in response to the memo in support of the Petition for Declaratory Ruling filed by Lincoln Electric System.

Gene Hand discussed an article announcing that Verizon and WorldCom have reached a tentative agreement on WorldCom's bankruptcy plan. The staff was directed to draft a letter for Chair Boyle's signature responding to MCI's July 7, 2003, letter to each Commissioner.

Gene Hand informed the Commission that the United States Telephone Association (USTA) sent a letter to Senator McCain asking him to not support partial universal service fund reform such as that embodied in S-1380.

UNIVERSAL SERVICE FUND

Jeff Pursley reported on the status of the Universal Service Fund, noting the changes in the report to reflect the beginning of the 2003/2004 Fiscal Year.

Jeff Pursley reported on Late-Filed Carrier Remittances. The Commission agreed that remittances over \$25.00 would be the minimum threshold to incur a late-handling fee.

NUSF-26 In the Matter of the Commission, on its own motion, seeking to establish a long-term universal service funding mechanism: Jeff Pursley updated the Commission on the status of the transcript data from the June 18, 2003 hearing and the scheduling of a future workshop.

NUSF-33 In the Matter of the Commission, on its own motion, seeking to investigate the audit requirements related to the Nebraska Universal Service Fund: Jeff Pursley discussed changes to the audit requirements.

UNIVERSAL SERVICE FUND (Cont.)

NUSF-37.1 In the Matter of Jeffrey L. Pursley, Director, Universal Service Fund Department, Nebraska Public Service Commission, Complainant, v. Telebeep Wireless, Inc., Omaha, Respondent: Jeff Pursley updated the Commission on the receipt of Telebeep's overdue remittance worksheets.

E911 DEPARTMENT

Kara Thielen informed the Commission that the E911 Advisory Board Meeting will be held on August 27, 2003, at 8:30 a.m. in the Commission Library, Lincoln.

NATURAL GAS AND WATER DEPARTMENT

NG-004 In the Matter of Aquila, Inc., d/b/a Aquila Networks, Motion for Protective Order in Gas Supply Adjustment Schedules and Aquila, Inc., d/b/a Aquila Networks, Gas Supply Cost Adjustment (GCA) Schedule Filing Waiver of 30-day Notice and Publication Request for Monthly GCA for Aquila's Rate Area One, Aquila's Rate Area Two and Aquila's Rate Area Three: Upon agreement of all Commissioners, a Protective Order was entered and the waiver granted in part.

NG-005 In the Matter of the Kinder Morgan tariff:

Laura Demman reported on Aquila's pledge of Nebraska utility assets to secure debt.

RULES AND REGULATIONS

Rule and Regulation #157 In the Matter of the Commission, on its own motion, seeking to amend Title 291, Chapter 9, Pipeline Common Carrier Rules and Regulations, to adopt rules in accordance with Nebraska Legislative Bill 790 [2003]: Laura Demman informed the Commission that the comment deadline was extended from July 21 to August 22, 2003, pursuant to Aquila's Motion for Extension.

TRANSPORTATION DEPARTMENT

B-1543 In the Matter of Lexington Taxi: Order to Show Cause.

John Schmidt informed the Commission that information was received on July 22, 2003 that the authority holder pled guilty in a U.S. District Court criminal case and is awaiting sentencing. A request was made for Commission input on how to proceed with the open show cause and whether to extend the current suspension. The authority is under suspension until mid-August and will need to be re-suspended if no action has been taken by that date so that the authority is not activated.

TRANSPORTATION DEPARTMENT (Cont.)

Rate Division

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-E: The fuel surcharge was retained at 14 cents per mile and the taxi surcharge at 20 cents per trip.

GENERAL ADMINISTRATION

The Commission approved the following invoice:

Ted Burkey \$3,000.00

Upon agreement of all Commissioners, Commission minutes for the month of June, 2003, were approved.

Upon agreement of all Commissioners, authorization was granted for Tim Sandusky to attend the Association of State Rail Safety Program Managers conference to be held in Las Vegas, Nevada, from August 18-21, 2003, with all expenses to be paid by the Federal Railroad Administration.

Upon agreement of all Commissioners, authorization was granted for Laura Davenport to attend the 45th Annual NARUC Regulatory Studies Program to be held at the University of Michigan in Lansing, Michigan, from August 4-8-2003.

Upon agreement of all Commissioners, authorization was granted for Steve Stovall to attend the National Association of State Relay Administration (NASRA) Conference to be held in Albuquerque, New Mexico, from September 4-6, 2003.

Upon agreement of all Commissioners, the contract for professional consulting services related to the Aquila general rates cases filed June 30, 2003 was awarded to GDS Associates, Inc., of Austin, Texas.

Commissioner Vap moved that the Commission go into closed session to consider litigation matters and Commissioner Landis seconded the motion. Upon agreement of all Commissioners, the Commission went into closed session at 10:24 a.m.

Commissioner Landis left the Commission Hearing Room during closed session.

GENERAL ADMINISTRATION (Cont.)

Commissioner Vap moved that the Commission return to open session and Commissioner Lowell Johnson seconded the motion. Upon agreement of all Commissioners present, the Commission returned to open session at a 11:30 a.m.

The meeting adjourned at 11:30 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson and Vap present and Commissioner Landis excused. The next regularly scheduled meeting will be held on August 5, 2003, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on August 4, 2003.

Chair

Executive Director